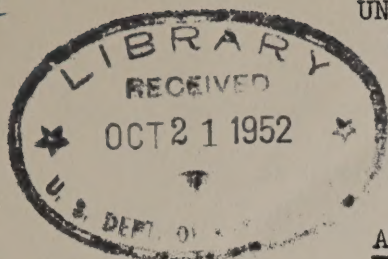


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UNITED STATES DEPARTMENT OF AGRICULTURE  
Rural Electrification Administration  
Washington 25, D. C.

AA 2



February 1, 1952

ACCOUNTING AND AUDITING MEMORANDUM 2

SUBJECT: Elimination of Account 393, Donations in Aid of Construction - Credit

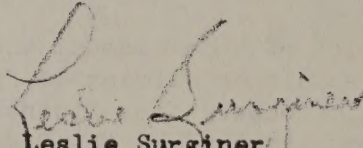
We have reviewed the use of this account and are of the opinion that it is no longer necessary and should be eliminated from the REA Uniform System of Accounts Prescribed for Electric Cooperatives Financed by REA. Borrowers having an investment in a project licensed by the Federal Power Commission will be subject, however, to the accounting requirements of that commission. We therefore recommend that any balance in Account 393 and any future donations in aid of construction, which are not refundable, be credited to Account 265.1, Contributions in Aid of Construction.

The elimination of this account necessitates changes in the REA Uniform System of Accounts wherever reference is made to the account. The necessary corrections are as follows:

1. Page 12, substitute 392 for 393 in the third line under Account 100.1; also make the same change on line 6 under Account 100.2.
2. Page 30, Account 144: Eliminate the last sentence in first paragraph; namely, Any balance in Account 393, Donations in Aid of Construction, etc.
3. Page 44, Account 241: Change last line in first paragraph from 393, Donations in Aid of Construction-Credit to 265.1, Contributions in Aid of Construction.
4. Page 44: Eliminate the second paragraph under Account 241.
5. Page 49: Account 265.1: Eliminate entire third paragraph.
6. Page 52: Change 393 to 392 in the last line of second paragraph.
7. Page 52: Note A at bottom of page, lines 5 and 6: Eliminate Account 393, Donations in Aid of Construction-Credit, or. At end of paragraph eliminate "as appropriate."
8. Page 53: Last line under F, correct 265. to 265.1.
9. Page 68: Instruction F, lines 11 and 12: Eliminate Account 393, Donations in Aid of Construction-Credit, and change Account 265 to Account 265.1.
10. Page 70, paragraph 14c: Change 393 to 392.
11. Page 72, Instruction 16-G: Change Account 265 and Account 393 to Account 265.1.

12. Page 92: Eliminate last line.
13. Page 97: Change 265 to 265.1 and eliminate 393 in the last sentence in paragraph (3).
14. Page 97: Eliminate all of Account 393.

Future revisions of the REA Uniform System of Accounts will give effect to the foregoing.

  
Leslie Surginer  
Chief, Accounting and Auditing  
Division